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September 30, 2011

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *Ex Parte* Presentation, Lifeline and Link Up Reform and Modernization,
WC Docket Nos. 11-42, 03-109 and CC Docket No. 96-45

Dear Ms. Dortch:

On September 29, 2011, Félix M. Santiago and José R. Lebrón of Educational Services Network, Corp. ("EdNet"), together with Cynthia B. Schultz and I of The Schultz Group, LLC, met with Kimberly A. Scardino and Lisa Hone of the Wireline Competition Bureau. During the meeting, we supported the Commission's efforts to encourage broadband adoption among low-income individuals, and discussed EdNet's proposal for a low-income broadband pilot project in Villalba, Puerto Rico.

We used the attached presentation materials as the basis for our discussion. Should you have any questions, please contact Cynthia Schultz or me at (202) 457-7665.

Very truly yours,



Richard R. Cameron
Vice President

cc: Kimberly A. Scardino
Lisa Hone

Low-Income Broadband Access

Pilot Project Proposal for Villalba, Puerto Rico

Educational Services Network, Corp.

Juncos, PR

WC Docket Nos. 11-42, 03-109; CC Docket No. 96-45

September 29, 2011





Educational Services Network, Corp

About us

Educational Network Services, Corp. (EDNet) is a private corporation founded in 2000 to expand broadband access in rural areas of Puerto Rico and provide innovative technology and broadband services and training.

- Employs approximately 35 experts in network operations, education technology, and management.
- Experienced participant in public-private partnerships to expand broadband access in Puerto Rico.
- Provides broadband services and bilingual training to schools, libraries, government, and private institutions across Puerto Rico.
- Provides E-Rate supported services across Puerto Rico.
 - \$14 million in committed funding over the last four years
 - 2010 – 48 municipalities.
 - 2009 – 39 municipalities.





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Our Mission

EdNet's mission is to use information and communication technologies to empower people by creating environments that facilitate access to information. We foster collaboration among individuals, educational institutions, libraries, and governments to improve digital literacy and expand access to information resources to enrich the lives of those in need.





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A History of Broadband/WiFi Success

- 2011 Municipality of Luquillo
 - Public safety and remote surveillance broadband project to improve security and aid law enforcement.
- 2010 Municipality of Mayagüez
 - WiFi broadband network to support athletes, media, spectators, and others participating in the Central American & Caribbean Games.
 - Coverage for municipal plaza and all residential, athletic, and support facilities; converted to public housing after the Games.
- 2010 Municipality of San Lorenzo
 - 8 square miles of broadband coverage for central town.
 - Additional coverage for 12+ other town plazas in municipality.





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Barriers to Broadband Adoption

- High cost of equipment and service:
 - 1Mbps bundled offerings from Claro start at \$46.99/month, plus taxes and fees.
 - 2010: Average broadband cost in PR was \$42.37/month.
 - 17 percent say Internet access is too expensive.
 - 38 percent say they do not own a computer, of which 27 percent say computers are too expensive.
- Lack of Digital Literacy:
 - 36 percent say they don't need the Internet, or don't know why they need it.
 - 54 percent say they don't need a computer, or don't know why they need one.





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Municipality of Villalba, PR





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Municipality of Villalba, PR

- Covers 37 square miles.
- Located in the remote interior of Puerto Rico.
- Small central town with surrounding *barrios*.
- Approximately 26,000 residents.
- Low income – about \$526/week.
 - Roughly half of the national average.
 - Below average in Puerto Rico.
- High unemployment – Puerto Rico is the highest in the nation at 16 percent and climbing.
- Low broadband adoption – 31 percent in Puerto Rico.





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Villalba Pilot Project

- Public-private partnership with the Municipality.
- Only proposal specifically focused on ESL population.
- WiFi-based broadband service offering 1Mbps+.
- Retail cost substantially below current offerings.
- Federal support would ensure affordability to low-income residents:
 - 1Mbps service to qualifying low-income customers at very low monthly recurring rate.
 - Low-cost financing options for equipment; even lower with federal support.
- Digital literacy training offered in partnership with the Municipality:
 - Bilingual training offered at libraries and other municipal facilities.
 - Training will use EdNet's proven curriculum and techniques.





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Key Legal and Policy Issues:

- The Commission should provide support for the costs of customer equipment and training.
 - Such support directly attacks two of the chief barriers to adoption.
 - Legal authority contained in Sections 1, 254(b), 254(c), 706(a), 706(b).
- Establish eligibility criteria that mirror those used for traditional voice Lifeline.
 - Approximately 450,000 lines under Lifeline in Puerto Rico.
 - Providers have experience applying these standards.





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Key Legal and Policy Issues:

- Use uniform performance metrics modeled on BTOP Sustainable Broadband Adoption reporting criteria.
 - Uniformity facilitates comparisons among various pilot projects.
 - NTIA awarded \$350 million in BTOP SBA grants, and carefully considered the design of its performance reporting mechanisms.
- With respect to local voice service provider:
 - The Commission should not include low-income broadband support in the “one discount per customer” Lifeline rules.
 - The Commission should not require low-income broadband pilot program participants to be ETCs.
 - The Commission should make clear that commercial entities may participate in the low-income broadband pilot program.
 - EdNet believes that the Commission should not require low-income broadband customers to purchase bundled voice services, but EdNet service can support VoIP solutions.



Thank you